



# United States Department of the Interior

OFFICE OF THE ASSISTANT SECRETARY  
POLICY, MANAGEMENT AND BUDGET  
Washington, DC 20240



DEC -7 2006

## Memorandum

To: Solicitor  
Assistant Secretaries  
Bureau Directors  
Policy, Management and Budget Office Directors

From: Paul Hoffman *Paul Hoff*  
Deputy Assistant Secretary- Performance, Accountability, and Human Resources

Subject: YEAR 2007 FEDERAL ACTIVITIES INVENTORY REFORM  
(FAIR) ACT INVENTORY PREPARATION AND SUBMISSION  
GUIDANCE  
Due Date: March 30, 2007

The FAIR Act directs the head of each executive agency to submit to the Office of Management and Budget (OMB) a list of FTE's performing both commercial and inherently governmental functions by June 30 of each year.

To date, we have not yet officially received the annual FAIR Act inventory guidance from OMB, but in order to meet the June 30 statutory deadline, work must begin in collecting and compiling inventory data based upon this DOI guidance.

The major change this year is the revised function code definitions. The inter-bureau Competitive Sourcing/Procurement Team revised the function code definitions during a work session October 19. The Team also revised the template for use in completion of inherently governmental and commercial reason code A justifications. The template has been modified to reflect the change requested by the bureaus.

Please submit your Year 2007 FAIR Act inventories to the Center for Competitive Sourcing Excellence (CCSE) by Friday, March 30, 2007. This should allow sufficient time for comprehensive Departmentwide inventory review, analysis, and as appropriate, revisions prior to agency inventory submission to OMB. With your continued cooperation and assistance, we will once again meet the statutory deadline.

Allow me to reiterate that the FAIR inventory is not the same thing as a competitive sourcing plan. Just because a FTE is coded as commercial in nature, it does not necessarily follow that the FTE in question will become part of a competitive

sourcing study. Indeed, for a commercial code A FTE, involvement in a competitive sourcing study would be quite unlikely.

As a reminder, prior to submission to the CCSE, it is important that your organization's inventory submission undergo a rigorous and thorough review by a bureau team of functional experts in multiples disciplines, e.g., budget, finance, performance management, human resources, and acquisition.

Memoranda transmitting the inventories should be signed by the Bureau or Office Director and routed to me through your Assistant Secretary. Please also submit your inventory response electronically in the specified MS Excel reporting formats to Dan Ertel in the CCSE office at [Daniel\\_Ertel@ios.doi.gov](mailto:Daniel_Ertel@ios.doi.gov).

If you have any questions, please contact Donna Kalvels, Director, Center for Competitive Sourcing Excellence at 202-219-0727 or Dan Ertel, Senior Analyst-Contractor, at 202-208-6704. An electronic copy of this guidance is being provided to the Competitive Sourcing/Procurement Team membership.

Attachments (available on [www.doi.gov/perfmgt/competitivesourcing/](http://www.doi.gov/perfmgt/competitivesourcing/))

1. Department of the Interior FY 2007 instructions
2. Estimated DOI '07 FTE totals by bureau/offices
3. Revised function code definitions
4. Justification Template
5. Samples of IG/commercial reason code A justifications
6. OMB website URL: [www.whitehouse.gov/omb/procurement/fair-index.html](http://www.whitehouse.gov/omb/procurement/fair-index.html)

cc: Deputy Secretary  
Chief of Staff